

Senator Mark Kirk's Remarks on Iran (As Prepared)

*Chairman, Senate Banking Subcommittee on National Security
& International Trade and Finance*

Hearing on "Terror Financing Risks of America's \$1.7 Billion Cash Payments to Iran"

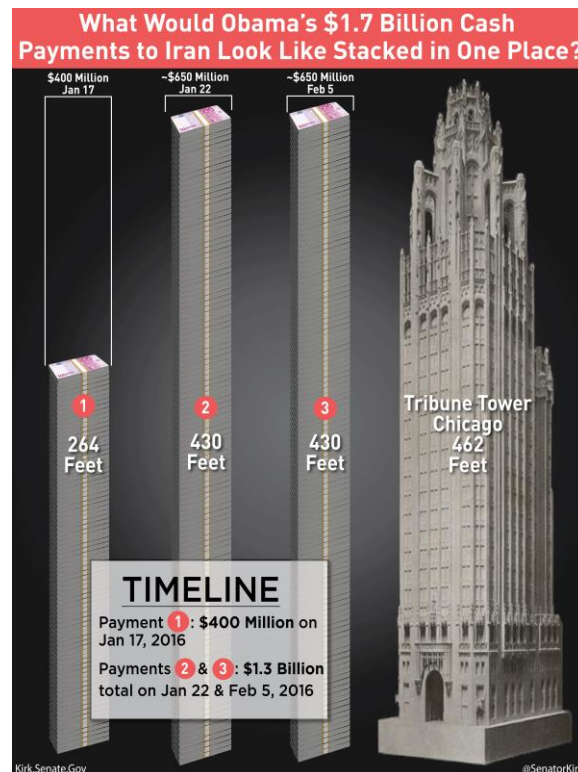
September 21, 2016

The Subcommittee will come to order.

The subject of today's Subcommittee hearing is the terror financing dangers of America's \$1.7 billion cash payments to Iran.

In August and September 2016, the *Wall Street Journal* revealed the Administration had secretly airlifted \$400 million to Iran in January 2016, and another \$1.3 billion to Iran weeks later, and the total \$1.7 billion payment was all in foreign cash.

To get a sense of how much cash we sent to Iran, look at this chart. A stack of \$400 million in 500 Euro notes is 264 feet tall. \$1.3 billion in 500 Euro notes equals two stacks that are 430 feet tall. For comparison, the Tribune Tower in Chicago is 462 feet tall.



Then, last Sunday, we learned the Administration made at least two wire transfer

payments to Iran prior to January 2016. In July 2015, the U.S. wired \$848,000 to Iran to settle a museum dispute over art and fossils. Then, in April 2016, the U.S. wired \$9 million to Iran as part of the deal to remove 32 metric tons of heavy water from Iran's nuclear program.

These U.S. wire payments contradict the President's claim that American sanctions laws prevented us from paying Iran in any other way besides cash. These wire transfers also raise the question of why we paid Iran in cash when we could have used safer payment methods.

The January 2016 cash airlift occurred at the same time as Iran released four illegally-detained Americans, including: *Washington Post* reporter Jason Rezaian; Amir Hekmati, a former U.S. Marine from Arizona; and Pastor Saeed Abedini of Idaho.

I join the American people in being relieved that four American citizens came home after being illegally detained by the Iranian government.

But the White House led us to believe Iran had released those Americans solely in exchange for: the release of 7 Iranians convicted or accused of violating U.S. sanctions laws; and the removal of 14 Iranians from INTERPOL's extradition watchlist.

But we now know this was not only a "prisoners-for-hostages" exchange. This was also a "cash-for-hostages" deal with Iran.

Since the \$1.7 billion cash payments, Iran has been emboldened.

Iran has taken more American hostages, including Baquer Namazi and Reza Shahini. As this chart shows, on August 22nd, the State Department issued a warning that Iran is looking to seize and detain American citizens.



U.S. PASSPORTS & INTERNATIONAL TRAVEL
U.S. DEPARTMENT OF STATE - BUREAU OF CONSULAR AFFAIRS

 **Iran Travel Warning**
LAST UPDATED: AUGUST 22, 2016

The Department of State warns U.S. citizens of the risks of travel to Iran. This replaces the Travel Warning for Iran dated March 14, 2016, to reiterate and highlight the risk of arrest and detention of U.S. citizens, particularly dual national Iranian-Americans. Foreigners, in particular dual nationals of Iran and Western countries including the United States, continue to be detained or prevented from leaving Iran. U.S. citizens traveling to Iran should very carefully weigh the risks of travel and consider postponing their travel. U.S. citizens residing in Iran should closely follow media reports, monitor local conditions, and evaluate the risks of remaining in the country.

Iranian authorities continue to unjustly detain and imprison U.S. citizens, particularly Iranian-Americans, including students, journalists, business travelers, and academics, on charges including espionage and posing a threat to national security. Iranian authorities have also prevented the departure, in some cases for months, of a number of Iranian-American citizens who traveled to Iran for personal or professional reasons. U.S. citizens traveling to Iran should very carefully weigh the risks of travel and consider postponing their travel. U.S. citizens residing in Iran should closely follow media reports, monitor local conditions, and evaluate the risks of remaining in the country.

The U.S. government does not have diplomatic or consular relations with the Islamic Republic of Iran and therefore cannot provide protection or routine consular services to U.S. citizens in Iran. The Swiss government, acting through its Embassy in Tehran, serves as protecting power for U.S. interests in Iran. The range of consular services provided by the Foreign Interests Section at the Swiss Embassy is limited and may require significantly more processing time than at U.S. embassies or consulates.

Iran conducted multiple ballistic missile tests on March 8th, March 9th, and April 19th, 2016.

On August 20, 2016, Iran announced the formation of the Shi'ite Liberation Army, a new foreign legion to fight Iran's sectarian wars in Syria, Lebanon, and Yemen.

On September 6th, 2016, Iranian fast-attack boats harassed U.S. Navy ships in the Persian Gulf.

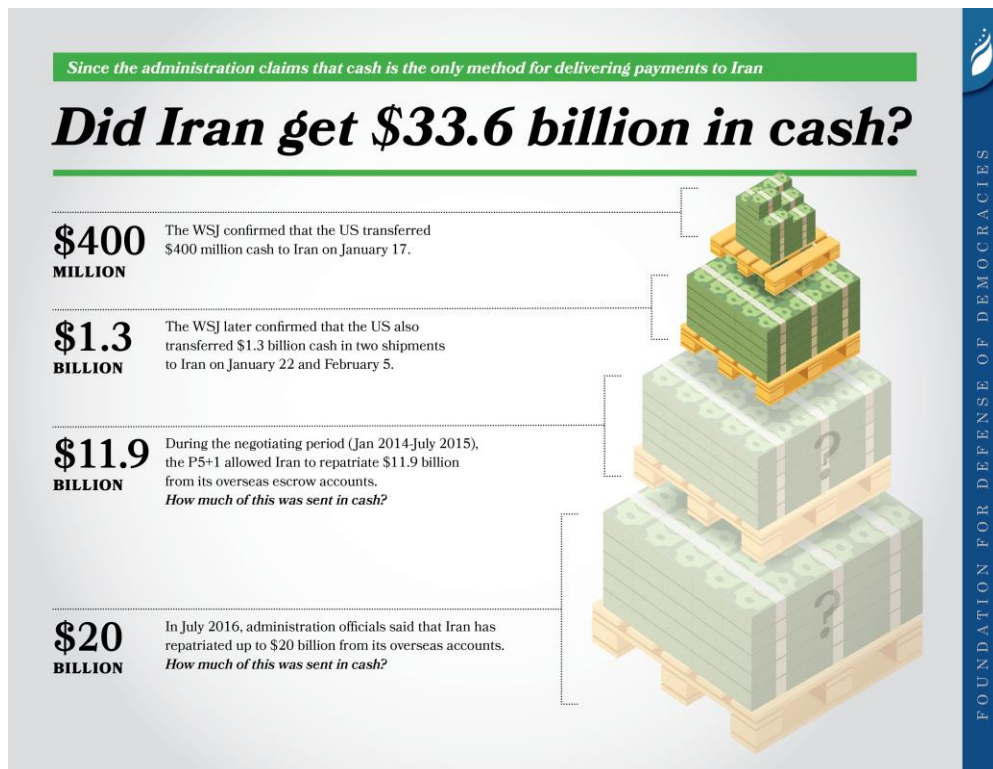
And on September 15th, Iran threatened to shoot down two U.S. reconnaissance planes in the Persian Gulf.

What also worries many Americans is the White House just handed over a total of \$1.7 billion in cash to Iran, the world's biggest state sponsor of terrorism according to the State Department's June 2016 terrorism report.

That's all on top of the cash the Administration released to Iran during and after nuclear negotiations.

Why should we care? We should care because hard cash is the preferred currency of terrorism.

As this chart shows, in the worst case scenario, the Foundation for Defense of Democracies estimates we released to Iran as much as \$33.6 billion in cash and precious metals.



That's enough cash to circle the earth 4 times in \$100 bills. That's also enough cash for Iran to fund Hezbollah terrorists for 168 years at current funding levels.

We should also care because Iran and its terrorist proxies have killed more Americans than ISIS has.

As this chart shows, on October 23, 1983, Iran-backed terrorists killed 241 Americans in the Beirut barracks bombing, including Marine Sergeant John Phillips of Wilmette, Illinois. In the 1980s, Iran-backed terrorists in Lebanon killed over 290 Americans.



General Joseph Dunford has also said Iran-backed militants killed some 500 U.S. serviceman and servicewomen in Iraq and Afghanistan.

Armed with billions in cash, how much more harm could Iran and its terrorist allies inflict on Americans and the free world?

For comparison, *The New York Times* estimates al-Qaeda's 9/11 attacks cost \$55 billion in direct physical damage, and \$123 billion in direct economic impact. That's on top of

the 2,996 people killed and 6,000 people wounded on 9/11.

Al Qaeda did all that damage on a half-million budget.

What could Iran and its terrorist allies do with tens of billions in cash? How do we lower the terrorism risks of the Administration's billions in cash payments to Iran?

We welcome our three witnesses, who will help us think through these issues.

But first I want to say this Subcommittee invited the Treasury Department to testify on this panel. The Administration declined to send a witness.

I am delighted to have before us today:

- **Judge Michael B. Mukasey**, who served as the 81st Attorney General under President George W. Bush;
- **Ambassador Eric S. Edelman**, former Under Secretary of Defense for Policy, who is now Distinguished Fellow at Center for Strategic and Budgetary Assessments, and Co-Chair of the Iran Task Force at JINSA; and
- **Dr. Suzanne Maloney**, Deputy Director, Foreign Policy, and Senior Fellow, Center for Middle East Policy at The Brookings Institution.

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